

## Historical Papers Communications historiques



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Volume 7, numéro 1, 1972

Montréal 1972

URI : <https://id.erudit.org/iderudit/030749ar>

DOI : <https://doi.org/10.7202/030749ar>

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### Éditeur(s)

The Canadian Historical Association/La Société historique du Canada

### ISSN

0068-8878 (imprimé)

1712-9109 (numérique)

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### Citer cet article

Macperson, I. (1972). The Origins of the Canadian Co-operative Movement, 1900-1914\*. *Historical Papers / Communications historiques*, 7(1), 207-230.  
<https://doi.org/10.7202/030749ar>

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# THE ORIGINS OF THE CANADIAN CO-OPERATIVE MOVEMENT, 1900-1914\*

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During the twentieth century, millions of Canadians have used to their advantage one or more forms of co-operation. For the most part, these Canadians have preferred co-operatives organized to sell agricultural produce, to loan money, to market fish, to build homes, or to supply consumer goods; but they have also organized co-operatives to build arenas, to construct factories, and to sell eskimo art. Geographically, most of the strongest co-operative organizations have developed outside of the metropolitan areas of Central Canada: mining Cape Breton, rural Québec, industrial New Ontario, the agrarian West, and fishing British Columbia, have, in particular, developed prosperous, well-organized co-operative institutions. In the past few years, too, even the metropolitan areas have produced flourishing co-operatives, especially growing credit unions, successful insurance companies, and promising housing developments. The strength of these institutions, now representing over six million members<sup>1</sup> was demonstrated during 1971 by their victorious campaign for a national co-operative act and by their successful lobbying for reform of taxation laws affecting co-operatives.

Despite the important role played by co-operatives over the years, they have received uneven treatment by Canada's historians: only a few of the country's co-operative developments have attracted interest — notably the grain growers' co-operatives and the Antigonish movement — and not even these have received completely satisfactory examinations.<sup>2</sup> One reason for the general weakness of the historiography of Canadian co-operation is the tendency of co-operatives to be strongest in the generally less well-studied hinterland regions of the country. There, they have been particularly important, but the co-operatives that have developed have seldom affected either the reform political movements or the Central Canadian power struggles that have until recently preoccupied Canadian historians; thus, they have seldom played a role in our traditional views of the past. Another reason has been that co-operatives, when examined, have been seen as effects rather than causes; hence, it has usually been suggested, the wheat pools emerged out of the agrarian movements, consumer societies were fostered by trades unionism, and caisses populaires by French-Canadian nationalism. Such generalizations, while in large part true, also mislead because they tend to ignore the fact that Canadian co-operators, albeit to varying degrees, have always shared a

distinct set of attitudes that occasionally have united them and have always impelled them to rise above narrow ambitions.

In trying to understand the rather fragile unity and distinctiveness of the Canadian co-operative movement, the years between 1900 and 1914 are vitally important. During those years many Canadians took a deep interest in co-operation, one demonstration of that interest being the emergence of four submovements destined to play significant roles within the Canadian co-operative movement. These submovements were the *caisses populaires* in Québec, the grain growers organizations on the Prairies,<sup>3</sup> the farmers' co-operatives in Ontario, Quebec, and the Maritimes,<sup>4</sup> and the consumer societies located in many villages, towns, and cities across Canada.<sup>5</sup> Each of these submovements had its own objectives and motivation, but they all shared attitudes and goals that made them similar although not united. They were all aware of European co-operative traditions, and they all sought to resurrect the same values and techniques as a means of curing the evils of the twentieth century.

A second manifestation of co-operative enthusiasm in the 1900-1914 period was represented by a group of humanitarian co-operative enthusiasts in Ottawa. This group, while only occasionally active outside the capital, did have counterparts elsewhere in the patrician clergymen and businessmen who took a personal interest in the fledgling co-operative societies throughout the country. The socially most prominent member of the Ottawa humanitarians was Governor-General Earl Grey, who served, while he was in Ottawa, as president of the International Co-operative Alliance, the world spokesman for co-operative movements. Grey had experimented with co-operative institutions on his English estates, had found them useful, and sought to encourage their development in Canada. He sponsored tours by British co-operative leaders, spoke to interested groups, appeared before a Parliamentary committee on co-operation, and prompted Canadian leaders, notably Mackenzie King, to take a deep interest in the movement. He was especially successful in his efforts with King, who had earlier become impressed with co-operation during a British tour in 1900, with the result that the Department of Labour, under King's direction, was very sympathetic to co-operatives between 1904 and 1911.

The two most effective spokesmen for co-operation in Ottawa, however, were two French-Canadians, Alphonse Desjardins, the official reporter of debates in the House of Commons, and F.D. Monk, a Conservative M.P. from Montréal. Desjardins had become interested in co-operative banking in 1898, when he had listened to a parlia-

mentary debate about the credit problems of Canada's poor. After a careful study of European co-operative banking, he opened his first *caisse populaire* or credit union in Lévis during 1900, and he helped establish over one hundred others throughout Québec before 1914. With each success he popularized the movement, and, in the early 1900's, began to lobby for a federal co-operative bill, in the process finding a staunch supporter in F.D. Monk. Under Monk's leadership and with Desjardin's help, seven bills for co-operative legislation were introduced between 1906 and 1911. The second of these bills, in late 1906, led to the creation of a Parliamentary committee on co-operation which reported enthusiastically on the movement. Monk's third bill, introduced in late 1907, took advantage of that committee's work, and passed the House of Commons with unanimous approval. It was defeated on third reading in the Senate, however, by a margin of one vote, because of the lobbying of the Retail Merchants Association and because of a growing conviction that co-operatives were a provincial responsibility. Monk and Desjardins were most disappointed by this last-second defeat of their bill, but the debate it had stimulated, like those associated with the lost measures of later years, did much to arouse interest in co-operation throughout Canada.

The third major manifestation of co-operative interest between 1900 and 1914 was the emergence, in 1909, of the Co-operative Union of Canada. The Union was organized by consumer co-operatives in Ontario and Nova Scotia, partly in response to the interest aroused by the debates in Parliament, but mostly because the founding societies wanted a national educational, lobbying, and advisory body for Canadian co-operatives. The dominant men in the Union between 1909 and 1914 were Samuel Carter, the president, and George Keen, the secretary-treasurer, both English immigrants well-versed in the traditions of the British movement. Of all the co-operative institutions started between 1900 and 1914, the C.U.C. was the most devoted to the cause of defining a distinctive co-operative viewpoint in Canada, and it was certainly the most committed to the task of forging the beliefs and attitudes of Canadian co-operators into a united, aggressive movement.

## I

The Canadian co-operators of the 1900-1914 period were most clearly drawn together by a set of general purposes which they enunciated for the organizations they established. Of these purposes, perhaps the most important was the desire to raise the standard of living of the people who patronized co-operative enterprises. In particular, the co-operators hoped to help the poor Canadians who

could easily be found in every region even in the best of the Laurier years: on the Prairies when the wheat economy declined; in the industrial towns when unemployment or inflation reducing living standards; in the agrarian areas of Central and Maritime Canada when rural depopulation and outside competition created inefficiency; and in company towns when low wages and company stores produced insufficient food and inferior housing. Such poverty, co-operators believed, was widespread in Canada, but it could be eliminated by the general implementation of co-operative methods of operating business and social institutions. These techniques, usually associated with the British Rochdale experiment of the 1840's, required co-operatives to admit members regardless of race or religion, to pay a low fixed interest on capital, to distribute surplus funds to members in proportion to patronage, and to allow each member only one vote regardless of invested capital.

Co-operators placed great faith in the operating methods of their enterprises and believed that those techniques could cope successfully with the most serious deficiency of the existing economic system: the exploitation of labourers and farmers by business and banking interests. By reducing the role of capital and by insisting on an important role for consumers, labourers, and farmers in business decisions, the co-operators believed their approach could restrict the opportunities for profiteering, could produce consumer goods cheaply, and could organize the distribution industries efficiently. Moreover, the methods, because they were based on the ethical desire to distribute wealth on the bases of natural right and personal involvement, would ultimately permit co-operators to surpass the self-centred bankers, businessmen, and speculators long favoured by the existing competitive system. Beset by sin, the baneful exploiters would ultimately be no match for the aroused virtue of the labouring and farming classes.

Strongly influenced by this sense of moral superiority, the Canadian co-operators imparted a strong sense of moral purpose to the organizations they established. They believed, in fact, that co-operation alone could deal with the moral crises they saw in the society around them. In particular, when looking at contemporary life, they emphasized that religion was becoming increasingly more separated from business; that family life lacked the vitality of former years; that more and more people were being denied the curative effects of countryside and woodlot; and that one's sense of belonging to a neighbourhood was threatened by impersonal businesses and competitive individualism. In their desire to offset these moral threats and to present a new holistic view of man, the co-operators were

influenced, of course, by the cresting social gospel, in both its Protestant and Catholic manifestations; but they were also influenced by a co-operative moral concern that went back to such nineteenth century figures as Robert Owen, Edward Vansittart Neale, and Frederick Raiffeisen.

The clearest demonstration of the ethical purpose of the Canadian co-operators was to be seen in the *caisse populaire* submovement, where Desjardins included, as a condition of membership in his societies, the proviso that each shareholder must be "punctual in his payments", "sober", "of good habits", "industrious", and "scrupulously honest".<sup>6</sup> Rather remarkably finding thousands of such individuals throughout the Quebec countryside, Desjardins looked upon his organizations as islands of integrity in a sea of iniquity. Similarly, E.A. Partridge, perhaps the crucial figure in the emergence of the grain growers organizations, believed that co-operation was the only weapon an enlightened population could employ against "the financial buccaneers" to bring about "an industrial millenium."<sup>7</sup> George Keen of the Co-operative Union had the same view of co-operatives and, in 1912, he wrote:

The fundamental principle as well as the supreme objective of genuine co-operators, from the days of Robert Owen until now, has been the physical, mental and moral improvement of man, the noblest work of God.<sup>8</sup>

This moralistic purpose of the co-operators naturally compelled them to develop special programs for that magnifier of human vice and frailty, the emergent industrial city. Mackenzie King<sup>9</sup> and F.D. Monk<sup>10</sup> both conceived of co-operation as an ideal solution to the class dissensions and social dislocation evident in Canadian cities; but it was George Keen and Samuel Carter who provided the most complete description of how the movement could cure the country's urban ills. Aside from advocating consumer co-operatives as a means of improving the living standards of the working classes, Carter and Keen also encouraged co-operative institutions — such as labour co-partnerships and co-operative housing projects — especially designed for urban conditions.<sup>11</sup> Carter was particularly impressed by labour co-partnerships (or businesses essentially controlled by the workers), and he tried unsuccessfully to establish one in Guelph during 1910.<sup>12</sup> George Keen, equally impressed by co-partnerships, spoke about them frequently to labour groups throughout Southern Ontario. Typically, his message was as follows:

Labour co-partnership is the one remedy for industrial war. It is the only principle which on an equitable basis harmonizes completely and effectually.

the conflicting interests of labour and capital. It is the one method of production which makes strikes virtually impossible, for no man is anxious to strike against himself and jeopardize the integrity of his own capital in the process. . . .<sup>13</sup>

Similarly, Carter and Keen advocated co-operative housing because they believed it gave the consumer (in this case the tenant) control over his own home and, to a considerable extent, over his own neighbourhood. This view of the potential of co-operative housing was in large part derived from a 1910 speaking tour by Henry Vivian, a British parliamentarian and co-operative leader invited to Canada by Earl Grey. Vivian particularly impressed Carter and Keen by his exuberant descriptions of the Ealing housing development, a co-operative venture he had helped organize near London. That project, which had started in 1903, boasted, by 1910, low mortgage payments of \$6 to \$10 per month; wide, paved streets; complete playgrounds; meeting rooms; an extensive library; and a billiard room.<sup>14</sup> Arguing that such a system could be developed for new housing developments in Canada, Keen and Carter made it a part of the co-operative metropolises they envisioned emerging in the near future. In George Keen's words:

The ideal Canadian city is a well thought-out and systematically developed scheme of co-partnership houses, occupied by workers engaged in labor co-partnership factories, buying their merchandise from their own Co-operative store. Then the age of the exploiter will disappear and the reign of a happy, contented and cultured people will begin.<sup>15</sup>

But, while some co-operators tried to relieve the larger cities of already existing problems, most were primarily concerned with protecting and developing the smaller cities or the countryside. Ultimately, most co-operators believed, salvation would come from outside, not from within, the large urban centres; thus it was most important for them to defend hinterland regions from the exploitive metropolitan centres so that those regions could be revitalized for the major reformist tasks that awaited them. Agrarian co-operators were particularly committed to the use of co-operation in regions being drained of their vitality by the large urban centres. The strongest element in the appeal of the grain growers, for example, was the notion that the pooled strength of the farmers would be at least equivalent to the collective power of the economic-political leadership of such centres as Toronto and Winnipeg.<sup>16</sup> Similarly, in the United Farmers of Ontario movement, as it emerged just before the war, the idea that co-operation could save the rural society was very strong, and it led to the formation of the United Farmers Co-operative in 1914.<sup>17</sup> And, finally, the same concept can be discerned in the work of Father Hugh MacPherson, the

main force behind the early agrarian co-operatives of eastern Nova Scotia and the new frequently forgotten pioneer of the Antigonish movement.<sup>18</sup>

Even the non-agrarian co-operators were significantly motivated by the defensive purpose of the early co-operatives; in fact, the early twentieth century urban co-operators found their most sympathetic listeners in the towns and small cities most exploited by the larger financial, distribution, and industrial centres. The mining towns of British Columbia, Alberta, and, especially, Nova Scotia were particularly impressed by co-operators attempting to protect the local citizens from both the "financial buccaneers" of the major cities and their local representatives, the mine company officials.<sup>19</sup> Similarly, the co-operatives of such industrial towns as Brantford, Guelph, Hamilton, and Valleyfield were to a significant extent established to contest the rise, especially in wholesaling and retailing, of Toronto and Montréal. The advertising campaigns of the Hamilton and Brantford stores, for example, were obviously directed against the Toronto mail order companies,<sup>20</sup> and all of the societies affiliated with the Union resisted attempting to organize chain stores like those associated with the larger cities.<sup>21</sup>

Because of this emphasis on protecting local communities, the co-operatives of the pre-war years were almost all involved in social or cultural activities aimed at enhancing the lives of their members. Many of the societies had women's guilds which undertook educational work and did community service. The grain growers, through *The Guide*, the operation of libraries, the encouragement of reading clubs, and a host of services to rural youth, sought to enrich the countryside and to break down the barriers of isolation. In Ontario, the agrarians organized a separate institution, the United Farmers of Ontario, to carry on rather successfully the same activities. And, in Québec, the *caisse populaire* movement sought to inject new vitality into older Quebecois institutions by organizing on a parish basis and by encouraging the formation of study clubs. In Nova Scotia, most co-operatives had enrichment programs, but the society most committed to a wide social program was the British-Canadian in Sydney Mines. In 1908 it began holding annual picnics and, in later years, it began to sponsor a town band, a town choir, a theatrical group (which put on some co-operative plays, a few written locally) and a literary society. It also subsidized special events, such as the one described by its manager in 1912:

we are having a Monster Gala Day on Monday, July 1 . . . we expect 2000 Children in our Procession and each child who walks in the Procession will receive a Festival Packet made up by the C[o-operative]. W[holesale].



S[ociety]. containing an assortment of Candies. We have also imported a number of Old Country Games namely Aunt Sally, Cocoa Nut Shies, Houpla, Love in a Tub, Football Game Etc. We have also 2 Pelaw Competitions one for Boys and one for Girls. The Prizes being given by the C.W.S.

The Boys clean 1 Pair of Shoes

The Girls clean ¼ doz. Spoons

The Mayor of our Town is the Judge of the Boot Competition. . . .<sup>22</sup>

Such social activities appear rather trivial and remote in an age of centralized, professionalized amusements; at the turn of the century, however, they were not, and they were important parts of the co-operators' efforts to maintain the vitality of their communities. Devoted to the notion that man must strive to control the forces that control him, the co-operators stressed social and cultural initiative almost as much as economic programs. Aware of many of the complexities of the twentieth century and as relatively successful defenders of the hinterland, they could not afford to be mere economic animals.

## II

A quest for a better standard of living, a desire to elevate the moral tone of society, an attempt to reform existing cities, and an effort to protect local communities from metropolitan influences, therefore, were the most common purposes within the Canadian co-operative movement of the 1900-1914 period. Beneath those purposes there were five major principles: that the common man was capable of great tasks; that education was basic to social change; that the competitive ethic was wrong; that traditional political activity rarely produced basic reform; and that it was possible to construct a utopian Co-operative Commonwealth. There were, of course, as in all movements, great variations in the intensity with which these underlying assumptions were held by different co-operators: certainly there was not a strong bond between a pragmatic Prairie farmer who saw co-operation essentially as a means of securing a better price for wheat, and a George Keen, who saw co-operation as a philosophy adequate for all aspects of life. Yet, the attitudes can be discerned in all parts of the Canadian movement, and they became ingrained, albeit often tenuously, in the co-operatives that emerged between 1900 and 1914.

For co-operators, the conviction that the "common man" could reform the world had its basis in Robert Owen's belief that man was usually conditioned by his environment; improve a man's surroundings, give him an opportunity to develop himself, so the argument went, and he would almost inevitably become a better man. While only a few, such as George Keen, were aware that the idea, at least in British

co-operative circles, went back to Owen, all parts of the Canadian movement accepted it instinctively in interpreting their role within Canadian society. The Owenite approach found such easy acceptance in large part because so many Canadians had been exposed to the same notions in either the labour or the agrarian movements. The radical labour press of the late nineteenth century had popularized the notion, some of the newspapers even linking it with the co-operative movement.<sup>23</sup> Similarly, the agrarian movement had long revered the honest yeoman as the basis of its reform efforts. From William Lyon Mackenzie through the Grange and the Patrons of Industry to the Canadian Council of Agriculture, the leaders of the Canadian countryside had always romanticized and extolled the virtues of the ordinary farmer. Thus co-operators had little difficulty in gaining support for their own arguments on behalf of the eternally victimized but potentially reformist common man.

To prove that ordinary citizens could successfully unite and organize reforming institutions, the Canadian co-operators pointed to already prosperous co-operatives in Canada, the United States, and Europe. Within Canada, by 1914, they were alluding to several prosperous and promising movements: the grain growers co-operatives had had few problems; the dairy and wool societies of Central and Eastern Canada had overcome their early difficulties; the caisses populaires of Québec had an unblemished record; and even the store movement — the weakest wing of Canadian co-operation — had produced efficient organizations in such centres as Sydney Mines and Guelph. Similarly, outside of Canada, the co-operators found successful examples with which to buttress their arguments: the Right Relationship League, for example, was a successful agrarian movement, employing some co-operative techniques in the United States; New York and Chicago had large co-operative stores and flourishing co-operative housing projects. Even more importantly, co-operators found it very useful to popularize the European movements: Canadian agrarians, for example, were especially interested in the agricultural co-operatives of Denmark; co-operative credit supporters were impressed by their Italian, German, and Belgian counterparts; and, perhaps most importantly, all were intrigued by the diversified, expanding British movement — a movement that had attracted the support of ten million Britons by 1910.<sup>24</sup> In fact, when viewed internationally, in those halcyon days before the war, co-operation seemed to be the technique that would develop man,

Till the war drum throbbed no longer  
and the battle flags were furled  
In the Parliament of Man the Federation  
of the world.<sup>25</sup>

To reform the world through the common man, though, there was an imperative need for extensive education programs. The Rochdale pioneers, the most practically successful of the early British co-operators, had made educational activities a major part of their approach. Similarly, the Canadian co-operators, many of whom admired the ideas of the Rochdale pioneers, emphasized the need for education. The Co-operative Union itself was one manifestation of the interest in education, indicated by the fact that one of its major purposes was to teach Canadians about the philosophy and methods of the movement. Within the agrarian, *caisse populaire*, and store movements, considerable attention was paid to educational activities, most of them associated with the publication of periodicals, the sponsoring of cultural events, and the purchase of literature from the Co-operative Union. But, regardless of the technique, the educational programs were all based on the belief that the ordinary man, when exposed to the truth, would act and act wisely in the best interests of society.

The emphasis on education, which followed so logically from the commitment to the common man, was also related to the co-operators' conviction that competition was evil. The Canadian co-operators were part of a general nineteenth and twentieth century reaction against hedonistic utilitarianism, classical economic theory, and social darwinism. They shared, admittedly on a less intellectual level, the revulsion with competitiveness so obvious in the writings of John Ruskin, Henry George, Pétr Kropotkin, and Charles Gide. They were not unrelated, either, to the colonies movement of the nineteenth century or to the mutual-aid and self-help societies that appeared throughout western civilization in the 1880-1920 period. In short, the Canadian co-operators were part of a world wide turn to co-operative techniques at the turn of the century, a part of a widespread attempt to escape the competitive philosophy espoused by many elite groups during the late nineteenth century.

Convinced that competition as a rule of life was wrong, the co-operators had little sympathy with traditional capitalism. They were opposed to businesses organized by capitalists dominated by the desire to speculate on land, production, or distribution. Instead, they advocated an economic system in which the consumers of specific services would decide, on an egalitarian basis, how those services would be organized, how they would be operated, and how they would distribute their surplus funds. In short, they envisioned an order in which consumers and workers would each have a voice at least equal to that of management, and each of the three would be more powerful than capital. Efficiency might be sacrificed on occasion by such changes,

but service at cost, consumer dominance, and equitable working conditions would be universally applied. Nor would people in authority be paid excessively high salaries; in the early years at least, Canadian co-operatives, following British and European precedents, paid its leaders low salaries in comparison to capitalist businesses. According to the tenets of the purest co-operators, ability received its true rewards in service not salary.

Ironically enough, the co-operators buttressed their attack on competition as the basis for civilization by their study of large businesses. The late nineteenth and early twentieth centuries witnessed numerous amalgamations and price-setting agreements between large business organizations. These arrangements had been most profitable for those involved, and the precedents they set were used by co-operators as examples of how working together could benefit all concerned.<sup>26</sup> Obviously, so the co-operators argued, wise businessmen were not following their own *laissez-faire* rhetoric and were susceptible to the idea of joining forces when it was immediately profitable. The only problem was that businessmen did not have a wide enough circle of potential prospects for co-operation; in particular, very few of them thought about establishing equitable arrangements with their workers, and even fewer thought of involving their customers formally in key decisions. Nevertheless, the willingness of businessmen to unite and to prosper together was looked upon as an important indication that the future would be characterized by co-operative approaches not by rugged individualism.

In establishing the new world order — a process which big business was unconsciously aiding — the co-operators did not assign too important a role to political activity. In part, the tendency to de-emphasize politics resulted from the distaste shown by many agrarians for the political process in the early twentieth century, a distaste that generally became revulsion after the 1911 federal election. More fundamentally, many co-operators spurned political activities as much as possible because of a conviction that politicians merely reacted to underlying social and economic realities. If one wanted to change a society, then one had to alter basic social attitudes, and that could be done only by educational programs or by group activities unrelated to politics. In part as a result of that conviction, the co-operatives of the 1900-1914 period were generally neutral politically, and, with a few exceptions, co-operators were not active in provincial or federal politics, though many were involved in nonpartisan municipal politics.<sup>27</sup> In fact, most co-operators seemed to subscribe to the view of politics popularized by George Keen in 1910:

Human greed cannot, at present anyway, be eliminated altogether and there is always the danger of some self seeking and capable individual exploiting the other members of the community. That indeed is the one objection I have to political socialism. Individuals could obtain political power equal to that of capitalists and use it for the same purpose by organizing the great mass of ignorance. The Co-operative movement being voluntary can only succeed to the extent it can raise the average intelligence of the people to the end that they will keep their leaders subject to the interests on the people.<sup>28</sup>

As Keen implied, co-operatism's greater reluctance for extensive state action was the main difference between it and socialism. Both ideologies were collectivist in their approach; both opposed capitalism, at least in its most developed forms; and both advocated the principles of production for use and fair treatment for labour. But, in essence, their approaches were quite different though not incompatible.<sup>29</sup> Moreover, socialism, even if its adherents could be convinced of co-operatism's value, was a doubtful ally before 1914; it was certainly strong in many cities, but that strength, assuming that it could have been mustered on co-operation's behalf, would not have made up for the losses to the latter resulting from an open alliance. The result was that both movements generally proceeded along separate paths in the early years of the century, and, by the twenties, when some socialists were seriously interested, Canadian co-operators had become too committed to political neutrality to join forces in a common cause. Thus, though many Canadians thought the two movements were closely intertwined — and that notion definitely restricted co-operation's development<sup>30</sup> — the fact was that they were not.

There was one other way in which pure co-operatism differed from at least the more extreme brands of socialism. Co-operatism recognized the existence of a class struggle, but, ultimately, it argued that politicizing one's self to participate within it was self-defeating. Rather, one should seek only the legal rights required to organize co-operative institutions and thereafter develop them to demonstrate the superiority of collective approaches over competitive techniques. Co-operation, then, unlike at least more radical socialism, had no concept of abrupt revolutionary change, no faith in extensive programs initiated by even the best motivated governments. In short, in its purest form, co-operatism, as viewed by many Canadian co-operators between 1900 and 1914, was a gradualist reform movement that asked for nothing more than an opportunity to prove its worth.<sup>31</sup> George Keen described this moderate aspect of the movement as follows:

Co-operation supplements political economy by organising the fair distribution of wealth. It touches no man's fortune; it seeks no plunder, it causes no disturbance in society, it gives no trouble to statesmen, it enters into

no secret associations. It contemplates no violence, it subverts no order, it envies no dignity, it asks no favor, it keeps no terms with the idle, and it will break no faith with the industrious: it means self-held, self-dependence, and such share of the common competence as labour shall earn or thought can win, and this it intends to have.<sup>32</sup>

In large part because of their gradualist approach, most Canadian co-operators in the 1900-1914 period had only the vaguest blueprint of the utopia for which they laboured. The imprecision, however, did not in any way diminish the certainty with which at least a few co-operators awaited the commonwealth. Many letter writers to *The Guide* predicted the advent of the co-operative millenium,<sup>33</sup> and many of the writers and leaders of the early agrarian movement had deep utopian convictions.<sup>34</sup> Desjardins, while most concerned about credit unions, was aware of the possibilities of other types of co-operation, and he looked forward to the union of all of them in some future, better world.<sup>35</sup> In Nova Scotia, Father Hugh MacPherson and many of the co-operators in the mining districts similarly looked forward to the dawning of a better age. And, perhaps above all, the men behind the Co-operative Union saw themselves as part of a historical process that would end ultimately in a co-operative commonwealth. Keen demonstrated this historical perspective in a summary to a typical article he wrote in 1910 for an American co-operative journal:

If, in the organization of distributive societies among American working-men, adequate attention is paid to their education in the history, principles and purposes of the Movement we shall here, as in other countries, develop a sense of individual responsibility for the common success, and an irrepressible enthusiasm for this great and beneficent Movement, before which all difficulties will vanish, and which will place the North American continent on the vanguard of our great world-wide mission to establish the brotherhood of man.<sup>36</sup>

### III

Thus, Canadian co-operators of the 1900-1914 period had definite purposes for their organizations, and behind those purposes there rested a reasonably well-developed ideology. Yet, while it is clear that both the purposes and the ideology had an impact, it is equally clear that they did not produce, in the period discussed, an integrated national movement. Connections between the submovements were tenuous, co-operatives had little impact upon the federal government, national co-operative organizations were weak to say the least, and the co-operative approach frequently was absorbed within such other movements as regionalism, agrarianism, or radicalism. In short, co-operatism had an impact, but that impact was frequently beyond the national awareness of most Canadians.

The weakness of co-operatism as a national, organized movement

was demonstrated by the general ineffectuality of the Co-operative Union between 1909 and 1914. The executives of the Union corresponded with leaders of all the major co-operative developments, but, with the exception of the store movement, they did not have a significant impact. Always short of funds, the Union relied upon the voluntary contribution of its executives until 1918, and it could not gain adequate financing from Canadian co-operators until the late twenties. With an office in Brantford, the Union was remote from the movement's strongest segments, located on the Prairies, in Québec, and in Nova Scotia. Even the Union's most successful undertaking, the publication of *The Canadian Co-operator*, a monthly periodical of generally high calibre, was not as widely accepted as it might have been.

In part, the C.U.C.'s weakness was the result of errors and biases on the part of its executives. As Englishmen impressed by the British store movement, Samuel Carter and George Keen did not know much about, or do much to stimulate, other parts of the movement, notably producer and banking co-operatives. Convinced of the necessity of making consumers completely dominant, they did not study sufficiently the problems confronting the country's primary producers and creditless poor. Even more importantly, they had indifferent success in developing co-operative stores, partly because of their own conservative business policies, but mostly because the retail trade was very competitive in the early twentieth century, and because the economic recession of 1913 unavoidably forced the closing of many stores. As a result of these adversities, the store movement, except for one brief experiment in Nova Scotia during 1912, could not develop a co-operative wholesale, meaning that the stores had no readily available source of credit during difficult times. Thus the Union, isolated in Ontario, was most closely identified with the least successful wing of the Canadian movement; this identification with marginal success and frequent failure was not an easy drawback to overcome and was not done so until the twenties.

But the weaknesses of the Union's executives only partly explain its inability to forge a strong national movement. Keen, Carter, and their associates were reasonable men who were sympathetic to all co-operative causes; if they had been pushed, they would have adjusted to the demands of the movement, just as they and their successors did during the 1925-35 period. The point is that Canadian co-operators did not demand a strong national movement between 1900 and 1914. In part, the failure to secure a federal co-operative bill explains the decentralized nature of Canadian co-operation: a national action requiring federal enforcement could possibly have encouraged

unity and helped establish a more dynamic role for the Union. Without it, co-operation developed a provincial or at most regional orientation that became a significant barrier to national co-operative unity.

The most obvious example of regional diversity creating disunity was to be seen in the *caisse populaire* movement. Until about 1912, Desjardins and English-Canadian co-operators worked very closely together in the quest for federal legislation. When that effort failed and when French-Canadian nationalists and Roman Catholic clerics became more active in the *caisses populaires*,<sup>37</sup> a gulf emerged that has not since been completely bridged. In fairness, the gulf was not entirely the fault of the French-Canadians: few English-speaking co-operators could speak French (or even tried), and the Union did not translate its publications during the early years. In fact, the gulf became so great that most English Canadians learned about credit unions from the United States, which in turn had been introduced to them by Alphonse Desjardins. Even more ironically, following the divergence which began about 1912 (and did not start to narrow until the forties) the Union corresponded more with a host of English-Canadian missionaries active in Chinese co-operatives than it did with French-Canadian co-operators.

But the French-Canadians were only the most extreme of the provincial or regional autonomists of the early twentieth century. Co-operators in British Columbia, for example, were weak contributors to the Union's development (and, by implication, to the national movement). Most B.C. co-operators believed they were developing educational techniques suitable to their own clientele and environment. Thus, rather typically, the secretary of a struggling society in Rossland wrote during 1909:

Perhaps our methods [of education] would not be acceptable in the East, nor Eastern methods be acceptable here. For the present at any rate we prefer to paddle our own canoe.<sup>38</sup>

Similarly, until Keen started to make tours of the Prairies during the twenties, western co-operators contributed very little financially to the Union's development. And, finally, while the Nova Scotian societies were the most generous supporters of the C.U.C., even they found it expendable during times of adversity: during the 1913 recession, for example, the Maritime Co-operative Board, made up of the Cape Breton societies, notified the union that it could not send more money "toward the forwarding of the movement in upper [sic] Canada."<sup>39</sup> In difficult times Maritime co-operators, like their colleagues elsewhere, opted to defend what their own co-operatives had always tried to protect: the viability of their own local institutions.



The strength of such regionalism suggests yet another reason for the lack of formal unity in the early twentieth century: the indifferent commitment of many co-operative members to either all the purposes or the total ideology of the movement. While any complete analysis of the motivation of most members must await further study, it is clear that for many people co-operation was more a technique than a movement. Just as importantly, within co-operative organizations, leaders tended to be more frequently drawn from pragmatic rather than idealistic wings of the movement. Certainly, George Keen, that most consistent spokesman for the movement approach, found more of his supporters among the membership than among the leaders of co-operative institutions. For that reason, the national movement might have been stronger than was at first apparent, but its strengths did not produce strong national institutions.

Finally, in assessing the institutional weaknesses of the national movement, some mention should be made of the attacks of opponents. Few co-operative institutions went unchallenged between 1900 and 1914. Potentially the co-operatives could harm too many people and certainly Canadians were too committed to individualism to allow co-operatives to develop without attacks. The Grain Growers Grain Company, for example, encountered many difficulties before it was accepted on the Winnipeg Grain Exchange; and, in the process, it had to jettison a considerable portion — eventually perhaps all — of its co-operative commitment.<sup>40</sup> Similarly, the lobbying of the Retail Merchants Association was crucially important in the ultimate defeat of the attempts of co-operators to gain federal legislation.<sup>41</sup> In fact, so aroused were the merchants that they sent, in 1908, the largest delegation of protestors to appear to that time on Parliament Hill.<sup>42</sup> And, finally, many co-operative stores between 1900 and 1914 were boycotted partly or totally by orthodox wholesale attempts to restrict the development of co-operatives.<sup>43</sup> For a movement struggling to gain acceptance, these instances of serious opposition were not only significant — in the case of some co-operatives, they meant the difference between surviving and dying.

#### IV

Thus, early twentieth century Canadian co-operation was a remarkably diffused and poorly integrated movement. It possessed common purposes and an ideology, but because of internal weaknesses and external opposition, it never entered the national consciousness to the same extent that it permeated local or regional feelings. Rather, in those years, it became a major defender of hinterland regions against the encroachment of outside forces, and, in the process, it became

associated with other often overpowering movements. Agrarians, social gospellers, trades unionists, French-Canadian nationalists, and regional loyalists generally found in co-operation a valuable weapon for their own purposes, and thus co-operation became a useful technique across Canada.

At the same time, however, co-operation did have an impact on its own merit, and it is this impact that has generally been overlooked. There were communications between the various submovements; the Union did survive despite severe handicaps; the ideology and especially the purposes of the movement received widespread publicity; and, perhaps most importantly, Canadian co-operators, even if they all did not know what they meant, said they belonged to the movement and believed they were somehow connected to wider, international co-operative circles. In later years this sense of belonging would help unite the movement in times of adversity created by widespread depression, government ignorance, or implacable opponents. In short, co-operators began to develop a sense of awareness between 1900 and 1914, and, in the process, helped to defend individuals and regions threatened by the centralizing forces of the twentieth century.

#### NOTES

\* The author is indebted to Professor D.G.G. Kerr, the University of Western Ontario and to Professor G.A. Friesen, the University of Manitoba, for their comments on this paper.

<sup>1</sup> *Co-operative Consumer*, June, 1970, p. 8.

<sup>2</sup> Such historians as H.A. Innis, F.D. Colquhette, D.A. McGibbon, W.A. MacKintosh, M. Clements, C.R. Fay, and W. C. Fowke have examined different aspects of the Prairie co-operative movement, but a complete survey of that movement has not yet been written. And, even before that task can be undertaken, there is a need for biographies on Prairie co-operative leaders and for monographs on developments in the thirties and forties. As for Antigonish, many popularizing accounts have been written, but the serious study of the movement has only recently been begun by Dr. A.F. Laidlaw. A biography of M.M. Coady is needed, and the movement itself should be more completely related to social and economic trends in Nova Scotia during the twenties and thirties.

<sup>3</sup> The following organizations encouraged the development of co-operatives on the Prairies: the Manitoba Grain Growers Association, the Territorial Grain Growers Association, the Saskatchewan Grain Growers Association, and the Alberta Grain Growers Association. The United Farmers of Alberta, an amalgamation of the Alberta Grain Growers and the Alberta Society of Equity, was established in 1909, and it too supported co-operative enterprises. The main co-operative businesses established by the grain growers before the 1920's were the Grain Growers Grain Company, the Saskatchewan Co-operative Elevator Company, and the Alberta Farmers Co-operative Elevator Company. The G.G.G. and the Alberta organization formed the United Grain Growers in 1917.

<sup>4</sup> Numerous co-operatives were established by dairying and fruit farmers throughout Southern Ontario, Quebec, the Annapolis Valley and eastern Nova Scotia. The wool

producers and poultry farmers of the Maritimes also began to organize in the same period. See Canada, House of Commons, *Reports of the Special Committee of the House of Commons to whom was referred Bill No. 2, an Act respecting Industrial and Co-operative Societies* (Ottawa, 1907) p. 29ff for descriptions of these parts of the Canadian movement. See also *The Labour Gazette* from 1906 onward for lists of co-operative societies.

<sup>5</sup> It is impossible to estimate the number of consumer societies that were established during the period, but a reasonable minimum estimate would be one hundred. They were particularly popular in mining districts, industrial towns, Prairie hamlets, and missionary posts.

<sup>6</sup> House of Commons, *Reports of the Special Committee . . . Co-operative Societies*, p. 23.

<sup>7</sup> E.A. Partridge, "Shall we cooperate to secure legitimate value for our wheat? — Experience is the great teacher. Knowledge is power. Unity is strength." unpublished memorandum, copy in United Growers' Library, Winnipeg, March 1, 1905, p. 1.

<sup>8</sup> *The Canadian Co-operator*, Brantford, Ont., volume 4, number 2, November, 1912. Henceforth, references to this periodical will be abbreviated to C.C.

<sup>9</sup> See House of Commons, *Reports of the Special Committee . . . Co-operative Societies*, pp. 79-80 and p. 88. See also R.M. Dawson, *William Lyon Mackenzie King, A Political Biography 1874-1923* (Toronto, 1958), p. 89.

<sup>10</sup> See *Debates*, House of Commons, 1906, vol. 1, pp. 1841-52 and 1906-07, vol. 1, pp. 89-90.

<sup>11</sup> The co-operators were also staunch supporters of the municipalization of public utilities, a program long supported by European co-operators as a logical extension of their movement. Samuel Carter, George Keen, members of the grain growers' organizations and some caisse populaire leaders all favoured municipally-owned utilities.

<sup>12</sup> William Lyon Mackenzie King was also a strong supporter of the labour co-partnership principle (though he never went so far as to suggest complete worker control). See House of Commons, *Reports of the Special Committee . . . Co-operative Societies*, p. 79ff. See also his book *Industry and Humanity*.

<sup>13</sup> C.C., vol. 2, no. 4, January 1911, pp. 9-10.

<sup>14</sup> C.C., vol. 4, no. 4, January 1913, pp. 13-14.

<sup>15</sup> C.C., vol. 3, no. 1, November 1910, p. 5.

<sup>16</sup> For examples, see J.W. Ward, "Co-operation for Western Farmers," *The Grain Growers Guide* December 6, 1911, p. 10 and "The Power of the West," *ibid.*, August 17, 1910, p. 5.

<sup>17</sup> See M.H. Staples, *The Challenge of Agriculture, The Story of the UFO* (Toronto, 1921), p. 69ff.

<sup>18</sup> See *The Casket*, October 7, 1920, p. 12 and P.M. Campbell, *Compassion on the Multitude*, unpublished manuscript, Sydney Public Library, p. 7ff.

<sup>19</sup> For example, see George Keen's reminiscences of the co-operative in Fernie and Natal, B.C., in his letter to A.S. Trotter, May 15, 1943. Co-operative Union of Canada Papers, Public Archives of Canada, vol. 114, 1943TZ: file "A.S. Trotter". See also G. Keen to H. Michell, December 21, 1914. *ibid.*, vol. 13, 1914AM: file "M" and R.G. Bain, "Consumers' Co-operative in Nova Scotia," unpublished manuscript in the files of the British Canadian Co-Operative, Sydney Mines, Nova Scotia. Future references to the Co-operative Union papers will be abbreviated to C.U.C.

<sup>20</sup> See copies of advertising in C.U.C., vol. 203: "Misc. Correspondence 1909-1919".

<sup>21</sup> The agrarian co-operators on the Prairies were more sympathetic to the chain store idea, and various schemes were put forth in the 1900-1914 period, most of them patterned after the stores of the Right Relationship League in the United States. None of these schemes was ever implemented to any serious extent. In Ontario, there was always a large contingent within the U.F.O. movement that favoured the development of a chain of farmers' stores. Until 1919, however, this faction was always outargued by the supporters of the locally-owned, locally-controlled store movement. The main

leaders of the chain movement were R.W.E. Burnaby and (before he left to start his own chain stores) T.P. Loblaw; the most important advocates of the autonomist stores were W.C. Good, H.B. Cowan, and George Keen.

<sup>22</sup> W.C. Stewart to G. Keen, June 22, 1912, C.U.C., vol. 9, 1912AL: file "B-1912".

<sup>23</sup> See F.W. Watt, "The National Policy, the Workingman, and Proletarian Ideas in Victorian Canada", *The Canadian Historical Review*, 1959, p. 16ff.

<sup>24</sup> For summaries of these movements see the *Annual Reports* of the International Co-operative Alliance. Earl Grey prepared a useful summary of the European movements for the 1906-07 Committee. See House of Commons, *Reports of the Special Committee . . . Co-operative Societies*, p. 83ff.

<sup>25</sup> A. Tennyson, "Locksly Hill". Tennyson was one of the most popular poets of the Canadian movement. The Union's motto,

"Let all men find his own in all man's good,

And all men work in noble brotherhood",

was taken from Tennyson, and the agrarian press frequently printed his poems.

<sup>26</sup> For example, see C.C., vol. 2, no. 2, November, 1910, p. 15.

<sup>27</sup> Many co-operators did become active, of course, on the federal and provincial levels during and after the war. This activity was directly connected to the crises associated with the war and to the disintegration of the Liberal party. A further important aspect is that the co-operators of the 1917-1925 period were most attracted by such devices as initiative, referendum, recall and proportional representation. Those devices were very much in keeping with co-operation's main arguments on behalf of wider democracy. In fact, with such men as W.C. Good, it is impossible to separate their co-operative from their political activities. Following the collapse of the Progressive movement and the decline of the Independent Labour Party, most Canadian co-operators returned to their original neutral position.

<sup>28</sup> Keen to A. Soper, September 13, 1910, C.U.C., vol. 6, 1910AZ: file "S".

<sup>29</sup> In Great Britain, for example, when co-operators organized their own party in the early 1900's, it had no difficulty working with the Labor party in Parliament. In fact, few people outside of Great Britain realize that such a party exists.

<sup>30</sup> For example, see exchange between J. Pilkington and G. Keen, September, 1910, C.U.C., vol. 6, 1910AZ, file "P".

<sup>31</sup> The resistance to political activity by co-operators was one of the reasons why the co-operative movement had difficulty in uniting with labour unions. As the nineteenth century drew to a close, many trades unionists dedicated to reform turned to political activity, rejecting the politically neutral approach more common in the 1880's. (See Watt, "The National Policy. . . .", p. 23ff). The result was that unionism and co-operatism never developed the alliances that were so mutually beneficial in many European countries.

<sup>32</sup> Unentitled article, undated, C.U.C., vol. 203, Misc. Correspondence, 1909-1919: unsorted notes.

<sup>33</sup> For example, see several letters, *The Guide*, late 1910.

<sup>34</sup> For example, see H. Moorhouse, *Deep Furrows*, Toronto, 1918, especially pp. 281-292. W.C. Good, *Production and Taxation in Canada*, p. 93ff.

<sup>35</sup> See A. Desjardins to Keen, July 14, 1909, C.U.C., vol. 5, 1908-09 AZ: file "D". See also House of Commons, *Reports of the Special Committee . . . Co-operative Societies*, p. 30.